



ASIA 12 - 119

USAID | INDIA

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INITIAL ENVIRONMENTAL EXAMINATION

Program/Activity:	Millennium Alliance Project
Objectives:	Investing in People Economic Growth
Program Areas:	Health Education Agriculture Environment
Programs Elements:	Maternal and Child Health, Family Planning and Reproductive Health Water Supply and Sanitation Basic Education Agricultural Sector Capacity Clean Productive Environment
Country/Region:	India and globally
Program Objective:	To establish and operate the Millennium Alliance Platform to support partnerships and programs to identify, support, and scale innovations that will achieve concrete development impacts for the base of the pyramid population in India and world over
Begin Date:	Approximately May 31, 2012
End Date:	Approximately May 31, 2017
LOP Amount:	\$15.4 million, of which \$7.7 million are USAID funds and the remaining \$7.7 million from other non-USG sources; additional funds will be leveraged from other sources for a total of \$50 million
IEE Prepared By:	Anu Rajaraman
Date:	March 16, 2012

ENVIRONMENTAL ACTION RECOMEMENDED:

Categorical Exclusion	: (X)
Deferral	: ()
Positive Determination	: ()
Negative Determination	: (X)
With Conditions	: (X)
Exemption	: ()

SUMMARY OF FINDINGS

Pursuant to 22 CFR 216.2(a), environmental analysis/evaluation is required for new projects, programs or activities authorized by USAID. This IEE evaluates activities being undertaken and planned under the USAID/India Millennium Alliance Project.

Recommended Action

a) **Recommended Action: Categorical Exclusion.** Pursuant to 22 CFR 216.2(c) (3), the originator of the activities (USAID/India Program Support Office) has determined that “core” program activities under all Program’s components (Table I), which include technical assistance, alliance building, training programs, capacity building, knowledge management and communication, and other similar types of environmentally neutral actions consist of types of interventions entirely within the categories listed in 216.2(c)(2) and are therefore recommended to be categorically excluded by falling under the following classes of actions:

- Technical assistance, training, development of training material, information dissemination, except to the extent such programs include activities directly affecting the environment {22 CFR 216.2(c)(2)(i)};
- Analyses, studies, academic or research workshops and meetings {22 CFR 216.2(c)(2)(iii)};
- Document and information transfer {22 CFR 216.2(c)(v)};
- Studies, projects or programs intended to develop the capability of of reciepiant countries and their institutions to engage in development planning, except to the extent designed to result in activities directly effecting the environment {22 CFR.2(c)(2)(xiv)}.

b) **Recommended Action: Negative Determination with Conditions** for activities involving grants and funds, when following normal good practices, engineering methods, and standard instructions will help avoid potential environmental problems (Section 2 of Table I). This includes seed funding for demonstration and pilots, procurement of equipment or material, and other electric and electronic equipment with USAID’s funds. The proposed action is that the implementer will conform to all national environmental and social legislation and adopt best global practices to ensure no significant effect on the environment. It is encouraged to build the capacity and awareness of the grant recipients on environmental issues and impact. The implementer should also provide evidence that all equipment, commodities, and materials are procured from certified retailers conforming to the national

standards. The equipment and materials are used and disposed in an environmentally sound and safe manner consistent with the national standards and best management practices.

1. BACKGROUND AND ACTIVITY DESCRIPTION

1.1 Purpose and Scope of the IEE

The MA Project will strengthen the capacity of the Federation of Indian Chambers of Commerce and Industry (FICCI) --a non-government, non-profit association of business organizations already heavily engaged in supporting innovation--to use its own resources, and those of other contributors, including USAID, the GOI, and other public and private sector entities, to develop a broad-based sustainable platform to foster development innovations in specified sectors. FICCI will serve as the Executive Secretariat of the Millennium Alliance and, using its own policies, systems, and procedures, will establish, operate, and expand an inclusive platform. This platform will bring together various actors within India's social innovation ecosystem, including innovators, social venture capitalists, angel investors, corporate foundations, and other donors to stimulate and facilitate financial and in-kind contributions from the private and public sectors and offer a range of support to innovators such as seed funding and larger grants, incubation and accelerator services, networking, knowledge exchange, and access to equity, debt, and other capital.

To achieve our purpose of developing FICCI's capacity to operate a large, sustainable, and truly local platform for innovation support, most of USAID's funding will be used to provide partial capitalization of a multi-contributor "Millennium Alliance Development Innovation Account" (or MADIA) to be owned and operated by FICCI. By capitalizing the Development Innovation Account, USAID expects both to stimulate financial contributions from other sources of \$50 million or more, and to provide FICCI an opportunity to gain the experience necessary to significantly expand its operations in support of innovation on a sustainable basis. FICCI will use the capitalized fund—the MADIA, in turn, to provide financial support (primarily in the form of grants) for innovations in agriculture; clean energy; education (early grade reading); water and sanitation; and health (family planning/reproductive health and maternal/child health). These innovations will directly support USAID priorities within the Feed the Future Initiative, Global Health Initiative, and the Global Climate Change Initiative.

1.2 Background

USAID/India recognizes India's role as a global development innovation laboratory, wherein innovative solutions to intractable development problems can be identified, tested, and scaled to benefit the base of the pyramid in India and globally. India's unique context, which couples a powerful innovation economy and sophisticated capital markets, with the needs of a large population, 76% of whom earn less than two dollars a day, has the potential to unlock solutions to development challenges that can benefit the world.

India's leadership in innovating products, processes and service delivery models to benefit vulnerable populations has helped lift millions out of poverty and holds great potential for broader replication to address today's global development challenges. Innovations that were tested and scaled in India such as oral rehydration salts and the agricultural innovations that

catalyzed the Green Revolution are just two examples of the types of Indian innovations that are improving the lives of millions around the world. Over the last decade in India, the social innovation movement has grown in size and sophistication as the public and private sectors increasingly see both the social and business value of investing in innovation to address development challenges. On the business side, investors recognize that the base of the pyramid represents substantial economic value, by creating opportunities to generate revenues through sub-market products and services by addressing un-served or underserved markets. Socially, innovation is also helping to achieve development outcomes more quickly, more cheaply, and more effectively through creative, market-based solutions. However, as the public and private sectors in India transition to this new way of thinking that links business objectives with development impact, gaps and market failures have emerged. The Indian investment climate today is considerably risk-averse, exacerbated by the recent microfinance crisis, making access to finance difficult, particularly for innovators looking for seed funding or support to pilot or demonstrate their innovations. As a result, social innovators face tremendous obstacles in cultivating, funding, and scaling their innovations within existing markets.

To help address these gaps, on December 20, 2011, USAID and the Federation of Indian Chambers of Commerce and Industry (FICCI) announced their intention to support the Millennium Alliance: an India-U.S. Innovation Partnership for Global Development. The Millennium Alliance (MA) will serve as an inclusive platform to leverage Indian creativity, expertise, and resources to identify and scale innovative solutions being developed and tested in India to address development challenges that will benefit base of the pyramid populations across India and the world. Under FICCI's leadership and in partnership with USAID and other Millennium Alliance partners, the Alliance will provide innovators with services such as seed funding, incubation and accelerator services, networking opportunities, business support services, knowledge exchange, and technical assistance, and will facilitate access to equity, debt, and other capital.

1.3 Description of Activities

The Millennium Alliance Project has three components:

1. Seeding and Scaling Innovations to Achieve Concrete Development Outcomes
2. Platform and Partnership Development
3. Knowledge Management and Communications

Component 1: Seeding and Scaling Innovations to Achieve Concrete Development Outcomes

FICCI will administer a competitive process to identify, support, and facilitate the scale of innovations that demonstrate the potential to achieve concrete development results in India and globally. Under Component 1, the Millennium Alliance Executive Secretariat (FICCI) will establish and manage the Millennium Alliance Development Innovation Account to provide awards to innovators to support a range of services, as deemed necessary, spanning the life cycle of an innovation, including seed funding and/or a range of non-financial services such as training; technical assistance; incubation/accelerator services; networking and knowledge exchange opportunities; business development support; monitoring and evaluation services; facilitation of access to capital; and technical assistance to enable innovators to seed, sow, and

scale their innovations. The MA Development Innovation Account, which involves pooled funding from a variety of sources, will be focused on supporting game-changing innovations, as opposed to incremental innovations, in products, technologies, or services that help achieve a development outcome more quickly and cost-effectively. Innovations in products, business models, processes and/or service delivery from the health (family planning & reproductive health/maternal & child health), agriculture/food security, climate change/clean energy, and education (early grade reading) sectors, among others, will be considered. Although USAID will support FICCI in establishing and funding the MA Development Innovation Account, through matching contributions, its purpose is focused on developing an Indian-led platform, rather than on the specifics and management of individual grants. Accordingly, USAID's involvement does not extend to approval of, or control over, the details of specific awards made by FICCI. What knowledge and information it may have of individual awards will be anecdotal, since the objective of USAID's assistance does not require control over these details.

Component 2: Platform and Partnership Development

The Millennium Alliance was conceived as a broad, inclusive platform for leveraging significant private and public sector resources, innovation, and expertise to reduce the cost and increase the reach of development impact in India and around the world. Membership on the Millennium Alliance Platform equates to being part of a network of entities committed to supporting the MA's broad objective of supporting game-changing, innovative solutions to development challenges to benefit base of the pyramid populations in India and around the world. Building and sustaining partnerships often requires significant investment, nurturing, and relationship-building both upfront and throughout the process to make them beneficial to all involved parties. Under this component, FICCI will define and expand platform membership, and enter into and nurture partnerships that draw additional financial resources, non-financial value services, and in-kind support to the platform in support of MA objectives.

Component 3: Knowledge Management and Communications

Under this component, FICCI will serve as a platform for collecting and sharing knowledge related to innovations supported under the MADIA, as well as linking MA Innovators with other useful resources that might be available through MA partners and other actors in the Indian social innovation ecosystem. Under this component, FICCI will launch and manage the Millennium Alliance website, and develop success stories, studies, analyses, best practices, lessons learned, and other resources that can be used by MA Innovators to help refine and strengthen their innovations and business models. FICCI will also support workshops, meetings, and events that bring together MA Innovators and partners to provide technical assistance and share experiences in testing and scaling innovations in India and globally.

2. Country and Environmental Information

2.1 Locations Affected

Through the MA Project, FICCI will support innovators from across India to support and scale their innovative solutions to development challenges.

2.2 National Environmental Policies and Procedures

India formally adopted the Environmental Impact Assessment (EIA) process in 1994 by introducing the EIA Notification¹. This notification has been modified subsequently with significant changes in 2006 (EIA Notification 2006) and the latest modification in 2009 (EIA Notification 2009).

The EIA Notification makes it mandatory for any new, expansion, modernization or change in product mix for different developmental projects and activities as listed in Schedule 1 of EIA Notification 2006 to undergo the environmental clearance process. The projects are categorized into category A and Category B depending on their size. Category A projects require clearance from the Ministry of Environment and Forest (MoEF) at the Central level, while the Category B projects go to the state Environmental Impact Assessment Committees for clearance.

Based on the information provided by the proponent, a Term of Reference (TOR) is prepared by the MoEF or the State committees for undertaking the EIA study. The draft EIA report is then put in public domain and a public meeting is organized to gather the feedback of the stakeholders. The finalized EIA report with the minutes of public meeting is presented to the Clearance Committee for their approval. The Committee may approve the project, put certain condition or reject it. Separate forest clearance has to be obtained from MOEF if the project/activity site involves forest area.

Other Indian environmental legislations can be viewed at the Ministry of Environment and Forest website (<http://moef.nic.in/index.php>).

3. RECOMMENDED THRESHOLD DECISIONS AND MITIGATION ACTIONS

a) **Recommended Action: Categorical Exclusion.** Pursuant to 22 CFR 216.2(c) (3), the originator of the activities (USAID/India Program Support Office) has determined that “core” program activities under all Program’s components (Table I), which include technical assistance, alliance building, training programs, capacity building, knowledge management and communication, and other similar types of environmentally neutral actions consist of types of interventions entirely within the categories listed in 216.2(c)(2) and are therefore recommended to be categorically excluded by falling under the following classes of actions:

- Technical assistance, training, development of training material, information dissemination, except to the extent such programs include activities directly affecting the environment {22 CFR 216.2(c)(2)(i)};
- Analyses, studies, academic or research workshops and meetings {22 CFR 216.2(c)(2)(iii)};
- Document and information transfer {22 CFR 216.2(c)(v)};
- Studies, projects or programs intended to develop the capability of of recipient countries and their institutions to engage in development planning, except to the extent designed to result in activities directly effecting the environment {22 CFR.2(c)(2)(xiv)}.

¹ Please refer to EIA Notification 2006 (<http://www.envfor.nic.in/legis/eia/so1533.pdf>) and EIA Notification 2009 (<http://envfor.nic.in/legis/eia/so195.pdf>) for more information on environmental clearance process.

- b) **Recommended Action: Negative Determination with Conditions** for activities involving grants and funds, when following normal good practices, engineering methods, and standard instructions will help avoid potential environmental problems (Section 2 of Table I). This includes seed funding, procurement of equipment or material, and other electric and electronic equipment with USAID's funds. The proposed action is that the implementer will conform to all national environmental and social legislation and adopt best global practices to ensure no significant effect on the environment. It is encouraged to build the capacity and awareness of the grant recipients on environmental issues and impact. The implementer should also provide evidence that all equipment, commodities, and materials are procured from certified retailers conforming to the national standards. The equipment and materials are used and disposed in an environmentally sound and safe manner consistent with national standards and best management practices.

The table below lists all the activities according to Reg. 216 requirements and recommends Threshold Decisions and environmental compliance actions.

S. No	Components and illustrative activities	Effect on Natural or Physical Environment	Threshold decisions and Reg. 216 actions required
1.	<p>Component 1: Seeding and Scaling Innovations to Achieve Concrete Development Outcomes.</p> <p>Including activities such as Training; technical assistance; incubation/accelerator services; networking and knowledge exchange opportunities; business development support; monitoring and evaluation services; facilitation of access to capital; and technical assistance to enable innovators to seed, sow, and scale their innovations</p> <p>Seed funding to support pilots and demonstrations;</p>	<p>No effect</p> <p>Insignificant effect</p>	<p>Categorical Exclusion: no action required</p> <p>Negative Determination with conditions a. The implementer will ensure that appropriate environmental standards are developed (e.g. Environmental Policy and Review Manual,) that are compliant with the Indian regulations and are acceptable to USAID.² Implementer should also monitor</p>

² Policies and procedures related to environment review that will guide the award and implementation of all FICCI awards.

The Agreement Officer's Representative (AOR) of the Millennium Alliance Project will ensure environmental conditions set forth in this IEE are met. In addition, the AOR will ensure that appropriate environmental guidelines are followed, mitigation measures in the IEE are implemented, and that adequate monitoring and evaluation protocols are in place to ensure implementation of mitigation measures.

The **Development Objective (DO) Team** will ensure that environmental compliance language from the IEE is translated into procurement documents and contracts.

The **Mission Environmental Officer (MEO)** will review the environmental compliance documentation, and review and approve FICCI's environmental policies and review manual included in its grants manual. The MEO will conduct spot checks to ensure that conditions in the IEE are met. The evaluations will review whether guidelines are properly used to implement activities under this IEE in an environmental sound and sustainable manner according to the Indian and USAID policies.

The implementing partner will ensure that all activities conducted under this program comply with the conditions established in this IEE. Implementers will notify USAID if activities are found to have unintended consequences or mitigation measures are ineffective.

Activities that are not in compliance with approved environmental documentation will be modified or terminated. If activities are found to have unintended negative consequences or mitigation measures are not effective, then activities need to be modified and/or mitigation measures need to be modified.

Conditions & Implementer Procedures:

- The Implementer(s) is encouraged to raise environmental awareness, promote regional and national environmentally and socially sustainable development, adaptation to climate change, and foster the culture of environmental compliance and governance.
- Environmental, Occupational Health and Safety (OHS) and other relevant laws and regulations, standards, norms of India and best practices for environmental protection and management will be followed in implementing its activities and the activities of its grantees.
- The Implementer(s) will include environmental compliance considerations into all aspects of the program implementation. The Implementer(s) is encouraged to ***train local counterparts and grantees*** on national environmental requirements and standards across all of the program's activities.
- Each activity should be conducted in a manner consistent with good design and implementation practices. As a reference, the Implementer may refer to the practices described in USAID ***Environmental Guidelines for Small-Scale Activities in Africa***, 2nd edition as provided at: <http://www.encapafrica.org/egssaa.htm>; ***IFC Environmental, Health and Safety Guidelines*** as provided at: <http://www.ifc.org/ifcext/sustainability.nsf/Content/EnvironmentalGuidelines>, and the ***World Bank 1999 Pollution Prevention and Abatement Handbook (PPAH)*** as provided at: http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/1999/06/03/000094946_99040905052283/Rendered/PDF/multi0page.pdf.

Documentation and Reporting Requirements:

The Agreement(s) with the Implementer(s) will include a requirement to follow all recommendations of this IEE. The Implementer(s) is encouraged to train his staff, grantees, and subcontractors, on the agreement's environmental requirements and ensure their compliance with these requirements.

The Implementer(s) will have the following documentation and reporting requirements associated with the environmental compliance:

- Environmental Policy and Review Manual³ will be developed by the Implementer and approved by the MEO.
- On an annual basis, provide an environmental report which identifies which, if any, projects have an environmental impact and what steps are being taken to mitigate environmental damage as a result of project activities.
- Final Report will have a section that will summarize program activities related to environmental compliance and will describe results, including information on any positive or negative environmental effects of program activities.

3.3 Limitations of the IEE

This IEE does not cover activities involving:

- Assistance for the procurement, use or recommendation for use of pesticides.
- Assistance, procurement or use of genetically modified organisms (GMOs).
- DCA
- Procurement or use of Asbestos Containing Materials (ACM), or PCB containing transformers for construction projects.

3.4 Revisions

Pursuant to 22 CFR 216.3(a) (9), if new information becomes available which indicates that activities to be funded by the Millennium Alliance Project might be "major" and their effects "significant," this determination will be reviewed and revised by USAID/India and submitted to the BEO for approval, and, if appropriate, an environmental assessment will be prepared in accordance with the procedures stipulated in 22 CFR 216. The Bureau Environmental Coordinator has authority to approve IEE under 22 CFR 216.3(a) (2).

³ A manual with policies and procedures related to environment review that will guide the award and implementation of all FICCI awards



Fwd: IEE for MA

Hazra, Monali <mhazra@usaid.gov>
To: Sujata Deane <sdeane@usaid.gov>

Thu, May 31, 2012 at 11:21 AM

----- Forwarded message -----

From: **Barannik, Andrei** <abarannik@usaid.gov>
Date: Tue, May 22, 2012 at 6:25 AM
Subject: Re: IEE for MA
To: "Hazra, Monali" <mhazra@usaid.gov>

Dear Monali - reviewed overnight - looks OK - you may wish to add reference to Environmental Guidelines for Small-Scale Activities, World Bank Pollution Prevention and Abatement Handbook and IFC EHS Guidelines; please have the IEE duly signed in the Mission, put "concurred by e-mail" on REA/Asia & OAPA line and send it to Bob Macleod, BEO/Asia for his review and approval. Brgds, Andrei

On Mon, May 21, 2012 at 10:57 PM, Hazra, Monali <mhazra@usaid.gov> wrote:

Dear Andrei,

Please find attached the revised version of IEE for the Millennium Alliance Project. I have reworked it as per your recommendations.

Please review and approve.

Thanks and Regards
Monali

—
Andrei Barannik
Regional Environmental Adviser for Asia & OAPA (and temporarily Middle East)
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APPROVAL OF ENVIRONMENT ACTION RECOMMENDED**Clearances:**

Activity Manager:

CID

 Anu Rajaraman

Date:

5/4/12

Mission Environmental Officer

CID

 Monali Zeya Hazra

Date:

5/22/12

Regional Environmental Adviser for Asia and OAPA

CID via email

 Andrei Barannik

Date:

5/22/12

Regional Legal Advisor:

CID

 Patricia Ramsey

Date:

5/23/12

Deputy Mission Director:

Elizabeth B. Warfield

 Elizabeth Warfield

Date:

5/29/12

Mission Director:

William Hammink

 William Hammink

Date:

5/30/2012

Concurrence:

Bureau Environmental Officer:

Robert Macleod

 Robert Macleod

Date:

6/12/12
